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COLLEEN MCMAHON, JUDGE
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

September 24, 2007

VIA ECF

Honorable Colleen McMahon
United States District Judge
United States District Court
Southern District of New York
500 Pearl Street
New York, NY 10007

Re: Gateway, Inc., and Gateway Companies, Inc. v. ACS Commercial Solutions, Inc.,
07cv6732-CM

Dear Judge McMahon:

We represent Plaintiffs Gateway, Inc. and Gateway Companies, Inc. (together, "Gateway"), and have the agreement of in-house counsel for Defendant ACS Commercial Solutions, Inc. ("ACS"), to respectfully submit this letter in response to the Court's Order dated September 18, 2007, setting an initial pretrial conference in the above captioned case for October 18, 2007.

The parties would like to inform the Court that settlement negotiations are scheduled to commence between the parties during the week of November 5, 2007. Though settlement of the litigation is expected to be complex, the parties are committed to attempting to reach a possible resolution of the lawsuit, although more than one meeting may be necessary.

In light of the impending settlement negotiations, the parties respectfully request an adjournment of the initial pretrial conference currently scheduled for October 18, 2007, as well as an adjournment of the thirty-day deadline to submit a proposed case management plan and the six-month period for discovery. If the Court so allows, the parties will file with the Court a status report regarding the settlement negotiations by November 15, 2007. The parties respectfully submit that to the extent that the case has not settled at that time, a new date for an initial pretrial conference could then be entered by the Court.

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Honorable Colleen McMahon
September 24, 2007
Page 2

Finally, the parties also hereby request that the Court grant an extension of Defendant's deadline to answer or otherwise respond to Gateway's Complaint by another sixty (60) days to December 3, 2007. As this Court is aware, ACS' answer is currently due October 1, 2007 as set forth in your Honor's Order dated September 6, 2007.

Respectfully submitted,

LATHROP & GAGE L.C.

By: *s/ John T. Walsh*

John T. Walsh